Summary: FY12 Military Construction, Veterans Affairs and Related Agencies Appropriations

Conference Report

Overview

Total funding for Military Construction, Veterans Affairs and Related Agencies is \$135.5 billion for fiscal year 2012, including \$71.7 billion in discretionary funding and \$63.8 billion in mandatory funding.

Discretionary funding is \$2 billion below the President's budget request – due primarily to the completion of military construction for the BRAC 2005 program – and \$1.4 billion below the fiscal year 2011 enacted level.

Major Policy Items

In addition to the \$58.6 billion provided for fiscal year 2012 for the Department of Veterans Affairs, the agreement includes \$52.5 billion in advance appropriations for veterans medical care for fiscal year 2013, equal to the budget request. This funding will ensure a stable and uninterrupted source of funding for medical care for veterans.

<u>Title I – Military Construction and Family Housing</u>

The conference agreement provides \$13.1 billion for military construction and family housing, \$1.7 billion below the budget request and \$3.5 billion below the fiscal year 2011 enacted level.

Highlights

Active and reserve component military construction: \$11 billion to fund military construction projects worldwide, including operational, training, and research facilities, readiness centers, barracks, schools, hospitals, and clinics. The agreement is \$1.1 billion below the President's request for active components and equal to the request of \$1.2 billion for reserve components. The funding level is \$677 million below the fiscal year 2011 enacted level for the active components and \$223 million below the enacted level for the reserve components.

Family Housing: \$1.7 billion as requested for family housing construction and privatization projects, \$136.6 million below the fiscal year 2011 enacted level.

Base Realignment and Closure (BRAC): \$258.8 million for BRAC 2005 and \$323.5 million for BRAC 1990, as requested. The BRAC 2005 request is \$2.1 billion below the fiscal year 2011 enacted level, reflecting the completion of the BRAC 2005 construction program in 2011.

NATO Security Investment Program (NSIP): \$247.6 million to fund the U.S. share of joint U.S.-NATO military facilities. This amount is \$10.8 million below the enacted level.

Energy Conservation Investment Program (ECIP): \$135 million as requested plus \$10 million for planning and design to accelerate the Defense Department's efforts to improve energy efficiency and reduce greenhouse gas production on military installations.

<u>Title II – Department of Veterans Affairs</u>

The conference agreement provides \$58.5 billion in discretionary funding for fiscal year 2012, \$2.1 billion above fiscal year 2011 enacted and \$313.9 million below the President's request. Additionally, the agreement includes \$63.8 billion in mandatory funding, equal to the Administration's mid-session review. The agreement also includes \$52.5 billion in fiscal year 2013 advance appropriations for veterans' medical care.

Total for the Veterans Health Administration for fiscal year 2012 is \$51.2 billion, \$2.57 billion above fiscal year 2011 enacted. This funding includes \$39.7 billion for medical services, \$5.5 billion for medical support and compliance, \$5.4 billion for medical facilities, and \$581 million for research.

The budget submission included a request for an additional \$240 million in fiscal year 2012 for the establishment of a contingency fund in the event the current economic climate results in a spike in demand for veterans health care. While the agreement does not fund the contingency fund, the Department has \$664 million associated with pay raises from fiscal years 2011 and 2012 which can be used in the event of an unanticipated increase in demand. Additionally, the VA's budget submission for the fiscal year 2013 advance appropriation estimated a \$500 million carryover from fiscal year 2012. The agreement directs the VA to utilize the authorities and resources it has available, including transfer authority for carry over funds, rather than create a separate contingency fund.

Highlights

Rural Health: Building on the Rural Health Initiative launched in fiscal year 2009 to close gaps in VA service in rural and remote areas, the agreement provides \$250 million as requested for medical care, including telehealth and mobile clinics, for veterans in rural and highly rural areas, including Native American populations.

Homeless Veterans Programs: \$4.9 billion for health care and support services for homeless veterans. This includes \$939 million in direct programs to assist homeless veterans, including \$202 million for the HUD-VASH program and \$224 for the Homeless Grant Per Diem Program.

Iraq and Afghanistan Veterans: \$2.99 billion as requested to meet the health care needs of veterans who have served in Iraq and Afghanistan, a \$594 million increase over last year. The VA estimates that the number of Iraq and Afghanistan veterans in its health care system will reach 536,451 in 2012, a 105.5% increase since 2008. This funding includes research and treatment programs for mental health issues, including Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD).

Caregivers: The agreement includes a total of \$208 million for implementation of the Caregivers and Veterans Omnibus Health Services Act of 2010.

Women Veterans Programs: \$270 million as requested to meet the unique needs of women veterans.

Medical and Prosthetic Research: \$581 million, an increase of \$72 million over the budget request, for research in a number of areas, including mental health, TBI, spinal cord injury, burn injury, polytrauma injuries, and sensory loss.

Long Term Care: \$6.9 billion for long term care for the Nation's aging veterans as well as severely wounded combat veterans from the wars in Iraq and Afghanistan. The funding includes both institutional and home-based care programs. The agreement provides \$85 million for grants for the construction of State extended care facilities.

Native American Veterans: \$52 million for collaborative efforts and sharing arrangements with the Indian Health Service to ensure that Native American veterans receive the care which they have earned.

Information Technology (IT): \$3.11 billion for IT projects, \$118 million above the fiscal year 2011 enacted level. The conference agreement includes \$100 million for the development of the DoD/VA integrated electronic health record.

Office of Inspector General (IG): The agreement includes \$112.3 million for the IG's office. This is \$3 million over the President's request and \$3.6 million over the fiscal year 2011 enacted level. The additional funding for the IG is intended to provide the resources to ensure robust oversight of VA programs, which have expanded rapidly over the past six years to meet increased demand for services.

Construction: The agreement includes \$589.6 million, as requested, for major construction projects at the VA. Additionally, the agreement provides \$482.4 million for minor construction projects, \$16 million over the fiscal year 11 enacted level.

<u>Title III – Related Agencies</u>

The conference agreement provides a total of \$236 million for related agencies, \$8.1 million above fiscal year 2011 and \$10.4 million below the request. This includes:

American Battle Monuments Commission (ABMC): \$77.1 million, equal to the request, to support the operations and activities of the ABMC.

U.S. Court of Appeals for Veterans Claims: \$30.8 million, \$25 million below the request. The agreement does not provide initial funding for a new courthouse due to uncertainties surrounding the total cost of the project and the availability of the preferred site.

Arlington National Cemetery: \$45.8 million, equal to the request.

Armed Forces Retirement Home: \$67.7 million as requested for operations and maintenance. In addition, the agreement provides \$14.6 million in construction funding to mitigate damage to the retirement home located in Washington. D.C., caused by the August 2011 earthquake.

Title IV – Overseas Contingency Operations

The conference agreement includes \$269.7 million for overseas contingency operations (OCO) to fund projects in Afghanistan, Bahrain Island and Djibouti. This funding was requested in the military construction title of the agreement, but was incorporated into a separate overseas contingency operations title because the projects are necessary to support the global war on terrorism. The OCO funding in this title is fully offset by rescissions of unobligated balances from previous OCO military construction appropriations.

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